

DPM ARTICLE 8 INVESTMENT SOLUTION DISCLOSURES

The disclosures below refer to the following UBP DPM solutions:

- DPM Bespoke Responsible Investment mandates
- U Asset Allocation Calm SEA
- U Asset Allocation Open SEA

DESCRIPTION OF THE PROMOTED ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

In addition to financial performance, the investment process aims to improve the investment strategy's non-financial performance compared to that of the large- and mid-cap investment universe, as measured by the equally weighted constituents of the MSCI World index. The investment strategy promotes a lower carbon footprint and considers investments in individual holdings and funds that are rated as "ESG Leaders" or "ESG Average" from an overall MSCI ESG ratings perspective.

INFORMATION ON THE METHODOLOGIES USED TO ASSESS, MEASURE AND MONITOR THE SELECTED ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Data sources

MSCI ESG Research is the main information provider used for ESG analysis. ESG research is not limited to ESG ratings, but may also include business involvement screening, controversy screening and sustainable impact metrics.

Screening criteria for underlying assets, including relevant sustainability indicators used to measure environmental or social characteristics, and how those criteria are met

The integration of ESG considerations takes place at three levels, after the financial analysis phase:

Level 1: ESG exclusion criteria (negative screening)

Individual holdings of issuers and equities are excluded according to UBP's Responsible Investment policy, which is regularly adapted to reflect the changing market environment. Currently, companies excluded are those affiliated with the development, manufacturing or sale of controversial weapons, nuclear weapons, thermal coal extraction and tobacco, with revenue thresholds being applied to the last three of those categories.

The investment strategy excludes investments in individual holdings and funds that are rated as "laggards" from an overall MSCI ESG ratings perspective. "Laggards" are companies that are rated B or CCC by MSCI ESG Research and lag behind their industry because of their high exposure to material ESG risks and their failure to demonstrate major efforts to manage those risks.

No direct investments are made in companies that have a "red controversy flag", indicating that they have been involved in one or more recent and very severe controversies. The framework used to assess ESG controversies is designed to be consistent with international norms represented in numerous widely accepted global conventions, including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Global Compact (UNGC).

Level 2: ESG inclusion approach (positive screening)

The investment strategy considers investments in individual holdings and funds that are rated as “ESG Leaders” or “ESG average” from an overall MSCI ESG ratings perspective. “ESG Leaders” are companies that lead their industry in managing the most material ESG risks and opportunities, and are rated AA or AAA by MSCI ESG Research. “ESG Average” companies are those with a mixed or unexceptional track record of managing the most material ESG risks and opportunities, relative to industry peers, and are rated BB, BBB or A by MSCI ESG Research.

The ESG selection process aims to reduce the investment universe by at least 20% as regards investments in individual holdings, as measured by the constituents of the MSCI World index. For investments in funds, we aim to invest at least 50% of a portfolio’s fund holdings – which must be analysed by MSCI ESG Research from an ESG perspective – into “SFDR article 8” and/or “SFDR article 9” funds.

Level 3: Portfolio construction

As part of the investment strategy construction process, we analyse how different asset classes, asset types and weightings affect each other, including their performance and risks. At least 70% of portfolio holdings, excluding cash, have to be analysed by MSCI ESG Research from an ESG perspective. On average, vehicles target a minimum ESG rating of A from MSCI ESG Research. The sustainability indicator to measure carbon footprints is weighted average carbon intensity, in tons of CO₂ per million of USD in revenue.

While the investment strategy seeks to attain certain environmental and social characteristics, it also carries a financial performance objective. For that purpose, some investments may be included that are not aligned with the environmental and social characteristics promoted by the investment strategy.

However, to ensure a minimum level of environmental or social safeguards, vehicles exclude direct investments in companies in severe violation of international norms.

The main adverse sustainability impacts are considered through ongoing research into sustainability-related factors undertaken by the Investment Manager and through detailed ESG reports from third-party providers. The main adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Investment Manager applies UBP’s Responsible Investment Policy which, along with more information about ESG methodology, is available at <https://www.ubp.com/en/investment-expertise/responsible-investment>.